

~~CONFIDENTIAL~~ SECRET16 Jan 51
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FAR EAST

2. Soviet-Chinese relationship regarding Korea--In an analysis of Soviet and Chinese Communist motives in accepting the grave risks of war implicit in the decision to expel all UN forces from Korea, US Embassy Moscow expresses the view that following the Inchon landing, the USSR was faced with its first loss of territory since the Tito defection, a loss which was particularly unpalatable to the Kremlin because it stood to lose much prestige in the Communist world generally and in Asia particularly. The Embassy considers it reasonable to assume that Communist China, before engaging in combat with US forces in Korea, was able to obtain definite and substantial commitments from the USSR. The Embassy believes the USSR may have agreed to furnish Communist China with military supplies to replace losses suffered in the Korean campaign, provide large scale air support in the event of UN attacks on China, and place Korea primarily under Chinese rather than Soviet control.

3. Reported Chinese Communist view on cease-fire--US Ambassador Henderson in New Delhi has learned of a discussion of the UN cease-fire proposal between Indian Ambassador Pannikar in Peiping and Chinese Foreign Minister Chou En-lai, during which Chou, though "somewhat noncommittal," suggested that the proposal would be more palatable to Peiping if it provided for a cease-fire and conversations to take place simultaneously. Chou said he would discuss the matter with his government.

Meanwhile, French delegate Chauvel has told a member of the US delegation at the UN that he feels the Chinese Communists will not flatly reject the new cease-fire proposal but will state conditions which might lead the West into negotiations while hostilities were continuing.

- 2 -

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